

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| APPLICATION OF MCI TELECOMMUNICATIONS |) | |
| CORPORATION FOR AUTHORITY TO PROVIDE |) | CASE NO. 10478 |
| INTRALATA TELECOMMUNICATIONS SERVICES |) | |

O R D E R

On November 4, 1988, MCI Telecommunications Corporation ("MCI") filed a self-styled application seeking authority to provide intrastate intraLATA telecommunication services and to have its certificate of public convenience and necessity amended to permit such service.

In support of its application MCI asserted that the Commission has witnessed the development of intrastate interLATA competition since such was authorized in May, 1984 in Administrative Case No. 273, An Inquiry into Inter- and IntraLATA Intrastate Competition in Toll and Related Services Markets in Kentucky. MCI contends that based on the experience of the past 4 years, the Commission can determine that intraLATA competition is in the public interest and that a deferral of such competition is no longer warranted. MCI further states that the ability of resellers of WATS to provide intrastate intraLATA service has placed MCI at a competitive disadvantage.

On November 29, 1988, South Central Bell Telephone Company ("SCB") filed a Motion to Intervene and To Consolidate with Administrative Case No. 323.

In its application MCI acknowledges the recently established Administrative Case No. 323, An Inquiry into IntraLATA Toll Competition, an Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality, and that the Commission's intent in establishing the proceeding is to investigate whether intraLATA competition is in the public interest at this time.

However, MCI's application merely asserts that intraLATA competition in all telecommunication services is in the public interest. The investigation of this assertion and related issues will be the primary focus of the Administrative Case No. 323 proceedings. For example, some issues to be investigated are: whether intraLATA competition is in the public interest; whether intraLATA competition may be warranted in certain segments of telecommunication service but not for all services; and whether changes in intraLATA competition would require an application for a certificate of public convenience and necessity or the filing of tariff changes.

Because the multiple issues involved in determining whether intraLATA authority is in the public interest are currently under consideration in Administrative Case No. 323, the Commission finds that MCI's application should be rejected at this time. MCI is participating in Administrative Case No. 323 and that investigation is the appropriate forum for discussion of the issues which MCI has raised in its application for authority to provide intraLATA telecommunication services.

The Commission, being advised, is of the opinion and finds that MCI's application should be rejected because the issues are being investigated in Administrative Case No. 323. This rejection of MCI's application does not preclude MCI from filing such an application at the conclusion of Administrative Case No. 323 should MCI decide that is appropriate. Because the Commission is of the opinion that MCI's application should be rejected, SCB's motion is rendered moot.

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 2nd day of December, 1988.

PUBLIC SERVICE COMMISSION

Chairman



Vice Chairman



Commissioner

ATTEST:

Executive Director